

Assembly Bill No. 196

Passed the Assembly September 10, 2007

Chief Clerk of the Assembly

Passed the Senate September 7, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 8879.65 of the Government Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 196, Committee on Budget. Transportation bond funds: cities and counties.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of general obligation bonds for various transportation purposes, including \$2,000,000,000 for local streets and roads. Chapter 181 of the Statutes of 2007 enacts implementing provisions relative to the bond funds available for this purpose.

This bill would require the Controller to allocate the \$950,000,000 appropriated in the 2007–08 fiscal year from Proposition 1B bond funds for local streets and roads to counties in the amount of \$400,000,000 and cities in the amount of \$550,000,000. The bill would make other related changes to the provisions enacted by Chapter 181 of the Statutes of 2007.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 8879.65 of the Government Code is amended to read:

8879.65. (a) Funds appropriated from the Local Street and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006, established by subdivision (l) of Section 8879.23, shall be made available to the Controller for allocation to cities, counties, and a city and county. From bond funds appropriated in the 2007–08 fiscal year for cities, including a city and county, each city, and city and county, shall receive at least a minimum allocation of four hundred thousand dollars (\$400,000), as described in subparagraph (B) of paragraph (1) of subdivision (l)

of Section 8879.23. The remainder of the funds appropriated for cities, including a city and county, shall be allocated in the proportion described in subparagraph (B) of paragraph (1) of subdivision (I) of Section 8879.23. In no case shall a city, or a city and county, receive an allocation in excess of its total share, as described in subdivision (I) of Section 8879.23, except as described in subdivision (d).

(b) Prior to receiving an allocation of funds from the Controller in a fiscal year, an eligible local agency shall submit to the Department of Finance a list of projects expected to be funded with bond funds pursuant to an adopted city, county, or city and county budget. All projects proposed to be funded with funds from the account shall be included in a city, county, or city and county budget that is adopted by the applicable city council or board of supervisors at a regular public meeting. The list of projects expected to be funded with bond funds shall include a description and the location of the proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible local agency to fund projects in accordance with local needs and priorities so long as the projects are consistent with subparagraph (B) of paragraph (1) of subdivision (I) of Section 8879.23.

(1) The Department of Finance shall report monthly to the Controller the eligible local agencies that have submitted a list of projects as described in this subdivision.

(2) Upon receipt of the information described in paragraph (1), the Controller shall allocate funds to those agencies that have submitted a list of projects, as reported by the Department of Finance.

(c) Each fiscal year upon expending funds from the account, a city, county, or city and county shall submit documentation to the Department of Finance which includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the project's estimated useful life. The documentation shall be forwarded to the department, in a manner and form approved by the department, at the end of each fiscal year until the funds in the account are exhausted. The department may post the information contained in the documentation on the department's official Web site.

(d) A city, county, or city and county receiving funds pursuant to this section shall have three fiscal years to expend the funds following the fiscal year in which the allocation was made by the Controller, and any funds not expended within that period shall be returned to the Controller and be reallocated to other cities, counties, or a city and county, as applicable, pursuant to the allocation formulas set forth in subparagraph (A) or (B) of paragraph (1) of subdivision (I) of Section 8879.23, but excluding the requirement for a minimum city allocation as described in subparagraph (B) of paragraph (1) of that subdivision and section.

(e) Subject to the requirements and conditions of this section, it is the intent of the Legislature to appropriate funds from the account so that the Controller may allocate the balance of these funds to eligible local agencies over the next four years, following the 2007–08 fiscal year. Nothing in this section shall prevent the Legislature from appropriating funds on a more expedited basis based on local agency need.

(f) The sum of three hundred fifty million dollars (\$350,000,000) is hereby appropriated from funds in the Local Street and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 created pursuant to subdivision (I) of Section 8879.23, for allocation pursuant to this article, as an augmentation to the amount appropriated in Item 9350-104-6065 of the Budget Act of 2007. The total 2007–08 fiscal year appropriation of nine hundred fifty million dollars (\$950,000,000) shall be allocated as follows: four hundred million dollars (\$400,000,000) to counties and five hundred fifty million dollars (\$550,000,000) to cities.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make clarifying changes to provisions governing allocation of transportation funds as quickly as possible, it is necessary that this act take effect immediately.

Approved _____, 2007

Governor